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8 February 1979

MEMORANDUM FOR: The Director of Central Intelligence

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FROM   :

SUBJECT   : Managing the Improvement of Intelligence Analysis

Attached is a revised memorandum on "Managing the Improvement of Intelligence Analysis," sanitized to allow it to be distributed without insulting too many people gratuitously, as well as to clarify some points. Sanitization has suppressed some of the specifics which pertain

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so I have annotated your copy to recall these specifics.

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Attachment

8 February 1979

MEMORANDUM

SUBJECT: Managing the Improvement of Intelligence Analysis

INTRODUCTION

The management goals of an intelligence analytic organization are twofold, answer the mail and improve the quality of analysis. The manager of any organization must always balance his efforts between such dual short- and long-term goals, a duality which creates a tension with a net strong pressure to concentrate on the immediate at the expense of the long term. Typically organizations go through maniac-depressive cycles in which long-term goals are neglected until a crisis situation forces a crash recovery effort. To establish the proper balance to avoid such cycles top managers must set up artificial mechanisms to increase the incentives of the organization to work on long-term goals all of the time.
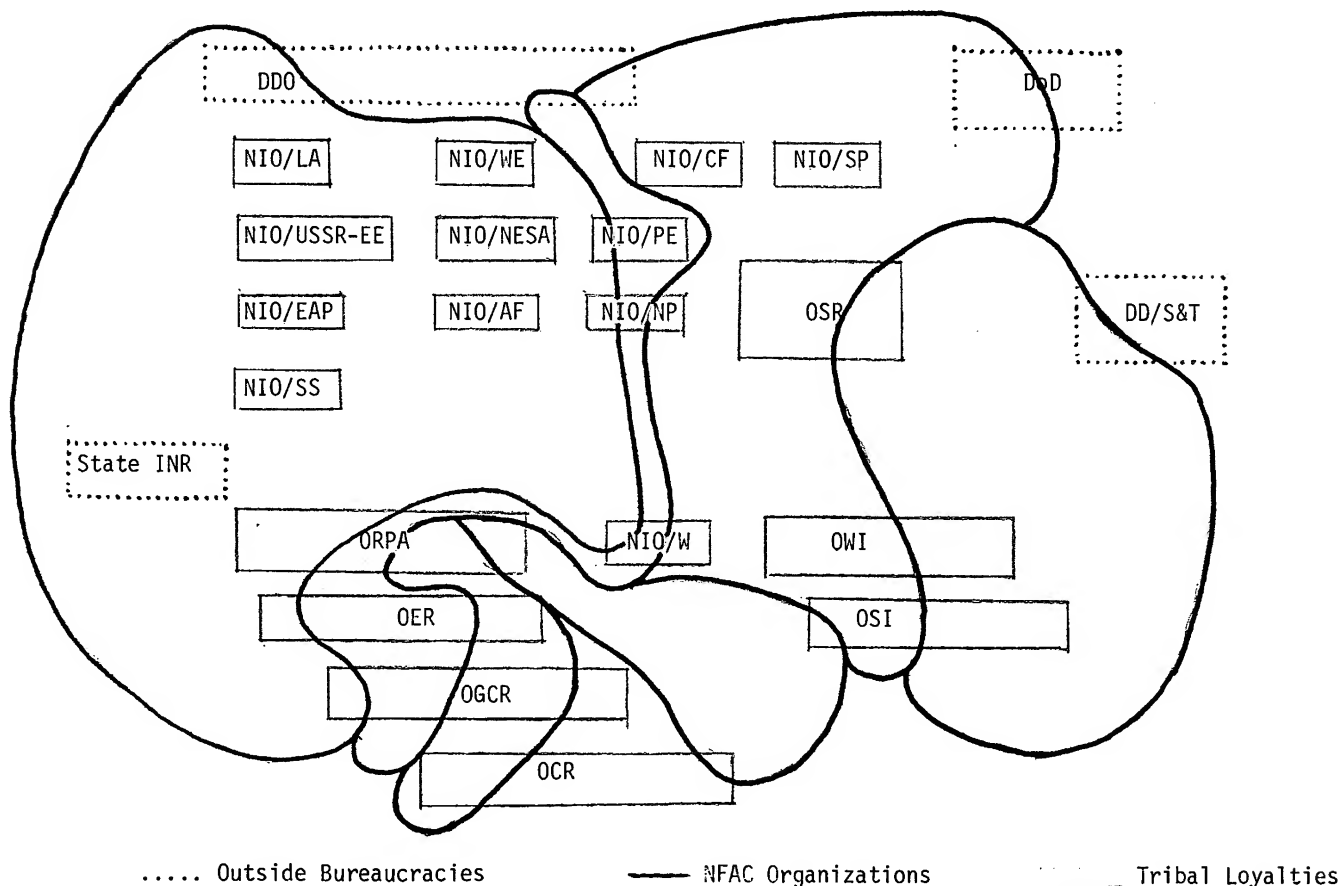
The rest of this paper will try to provide a useful framework for thinking about artificial mechanisms for increasing the priority of long-term goals of an intelligence analytic organization. However, before leaving the management problem of answering the mail, it is well to address one aspect of it in order to make clear what the remainder of this memorandum will not address. Part of answering the mail involves scheduling production. This involves some mechanism (variously called production board, scheduler or plan depending on agency) to decide how analysts are to be employed. It is self-evident that in the long run superb analyses of irrelevant problems are not all that much better than shoddy analyses of relevant problems. Good scheduling is closely related to improving analysis in terms of impact, but managerially is very different. Thus it is important to recognize on which side of the management tracks one is at any given moment, answering the mail or improving the quality of analysis. To respond to a particular problem in a way that is appropriate only on the "other side of the tracks" can do harm. What follows is intended to apply to mechanisms for improving the quality of intelligence analysis, but it presumes a functioning management tool for answering the mail.

For a mechanism to succeed in improving analysis it must be based on an appreciation of two dimensions of the problem, the conceptual and the temporal. Conceptually one must understand the structural relations among symptoms, causes and curatives of intelligence problems. Temporally one must understand the interactions over time among discovering symptoms, identifying causes and applying curatives which in turn create new causes while mitigating old ones. Failure to appreciate one dimension of the problem can be debilitating; failure to appreciate both will wreak havoc.

In asking how to manage the improvement of intelligence analysis we must recognize that the problem is tough. So we must be ready to grit our teeth and comb through the wool for awhile before we will have brushed out useful identifiable strands. When we are done with this combing the major threads which will emerge for management purposes will be:

-The conceptual framework one uses to think about this management problem is important. If our mental models are wrong our actions will be wrong too.

-Symptoms of intelligence problems will be categorized best in something we can call the "functions of intelligence."

-Causes of intelligence problems will be categorized best in another taxonomy that reflects the organization of the intelligence community.

-Curatives will fit into the same taxonomy as causes, but will be further constrained because there are things that cause problems that can't be changed by a manager; he must learn to live with them.

-Everything is complicated by the existence within the community of very different cultures. At the risk of belaboring the obvious the following page is a simplied picture of the cultural affinities that exist within one analytic organization, the National Foreign Assessment Center (NFAC). Symptoms, causes and curatives are different among cultures. Imposing an inapplicable curative on a particular office or directorate can be as bad as failing to impose an appropriate one.

-Viewed over time managing the improvement of intelligence involves pursuing several different tracks in parallel, e.g. searching for new symptoms while implementing curatives in reaction to previously identified symptoms.

-There is no simple solution. Rather there are a host of curatives which if applied judiciously and consistently can in time significantly ameliorate many of the symptoms.

-The process is so complex that it cannot be sustained without formal feedback mechanisms even if it did not have to compete for management attention with answering the daily mail.

A Simplified Cultural Map of the National Foreign Assessment Center and Surrounding Bureaucracies
(or the Unnamed Tribes of the CIA*)

DDO

DoD

NIO/LA   NIO/WE   NIO/CF   NIO/SP

NIO/USSR-EE   NIO/NESA   NIO/PE

NIO/EAP   NIO/AF   NIO/NP   OSR   DD/S&T

NIO/SS

State INR

ORPA   NIO/W   OWI

OER   OSI

OGCR

OCR

..... Outside Bureaucracies   ——— NFAC Organizations   ——— Tribal Loyalties

*Informal groupings of less than 100ish bureaucrats are not shown on this chart.

CONCEPTS

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At the risk of seeming to insult one's intellect, we will now address the conceptual dimension of managing the improvement of intelligence analysis beginning with a tedious rehearsal of well-known facts leaning heavily on the analogy of a physician's tasks. I do this to build a simple mental model to ensure we are agreed on that about which we are talking and also to help us explain the conceptual problems to people who will be impatient for a simple solution.

A physician sees a complex human made up of chemical compounds, neurological systems, etc. arranged anatomically. A student of intelligence also sees a complex body with several parts, most simply described by the acronym, CAD, Collection, Analysis and Dissemination. If he goes into each of these parts he finds further complexities.

Collection is the equivalent of the human senses of sight, hearing, touch and smell. It is made up of many disciplines the most important of which are described by the acronym, HIS.

-Human Intelligence: What we learn from newspapers, travelers, emigres and spies.

-Imagery: What pictures taken by cameras held by people, airplanes, satellites, etc. tell us.

-Signals Intelligence: What we learn from the way people use electromagnetic energy.

Analysis for the physician's subject involves the functioning of the brain and for the student of intelligence it does too. In intelligence it is made up of roughly four mutually supporting, but different, functions which can be captured in some catch-phrases:

-FACTS & FIGURES: Who's where? When does how much rain fall? How deep is the water? How big is it? How much does it cost?, etc.

-RECKONING & REPORTING: What happened yesterday or did nothing happen? What is the military capability of an assembly of men & machines? What is the productive capacity of this or that combination of mines, factories, roads and people? etc.

-PREDICTION & PROGNOSES: What will happen tomorrow or next year? What are the critical factors influencing developments? What are the key uncertainties? etc.

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-WATCH & WARD: Among all the futures that might unfold which ones are both sufficiently likely and sufficiently important to the US to raise a warning flag?

Dissemination for the physician involves speech and expressions. For the intelligence officer it involves packaging and delivering the encyclopedic results of the collectors' and analysts' work to serve a variety of customers;

-the President and his principal advisers,

-an array of government planners,

-negotiators at their meetings, and

-military commanders in combat,

balancing their needs to know many things against their ability to absorb information. One changes the focus, frequency and form of intelligence information to try to serve each consumer of intelligence.

So far this treatment of the conceptual dimension of managing the improvement of intelligence analysis has only made simplistic and arbitrary definitions of the stages in the flow of intelligence from source to consumer and of the functions of intelligence. But this is useful for two reasons. One is to make clear that because the rest of the discourse will focus on analysis, it is ignoring a large part of the problem. The other is to set the stage for discussing the ideas of symptoms, causes and curatives of problems of intelligence analysis. The framework within which symptoms will usually be treated best is the functions of intelligence, described by catch-phrases above.

Symptoms rarely appear directly equated to causes. For the physician the symptom of blurred speech could arise from a brain tumor, a pinched neck nerve, etc. For the intelligence manager the fact that an important consumer received an unpleasant surprise could arise (within the analytic part of his organization) from having lost a critical report, from analyst ignorance of how to piece together evidence, from analyst misallocation of effort, etc. Only infrequently will the physician or the intelligence manager see a symptom that directly equates to a cause so a major task for both specialists is relating symptoms to causes, i.e. diagnosis.

The framework within which causes are best viewed is different than the one for symptoms. For the physician it is the anatomical breakdown of the human body. For the manager of intelligence analysis it is the organizational body of his agency, e.g. NFAC. To the extent a symptom of an "intelligence failure" can be ameliorated by his actions, it must arise from a cause to be found in one or more of:

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-The people who make up the analytic organization.

-The conditions under which those people work.

-The support given them in the form of working
 spaces, information, tools, etc.

-The management mechanisms of the organization.

Otherwise the "failure" is beyond the control of the manager of intelligence analysis; this is not to say that no manager can influence it, but if he can, he is managing more than just analysis. In fact most symptoms arise from a number of causes, some within collection operations, some within analysis, some within dissemination processes and some within the consumers themselves.

Having related symptoms to causes one then applies curatives in the hope of doing more good than harm. The physician deals in a multitude of palliatives, therapies and preventatives. The intelligence manager deals in an equally complex system. However, it will be useful to oversimplify by classifying the areas to which curatives may be applied as shown in the table on the next page. Note that this table is not intended to be complete in every detail, rather it is to display the broad framework and some exemplary detail.

A TENTATIVE AND SIMPLIFIED CLASSIFICATION SCHEME
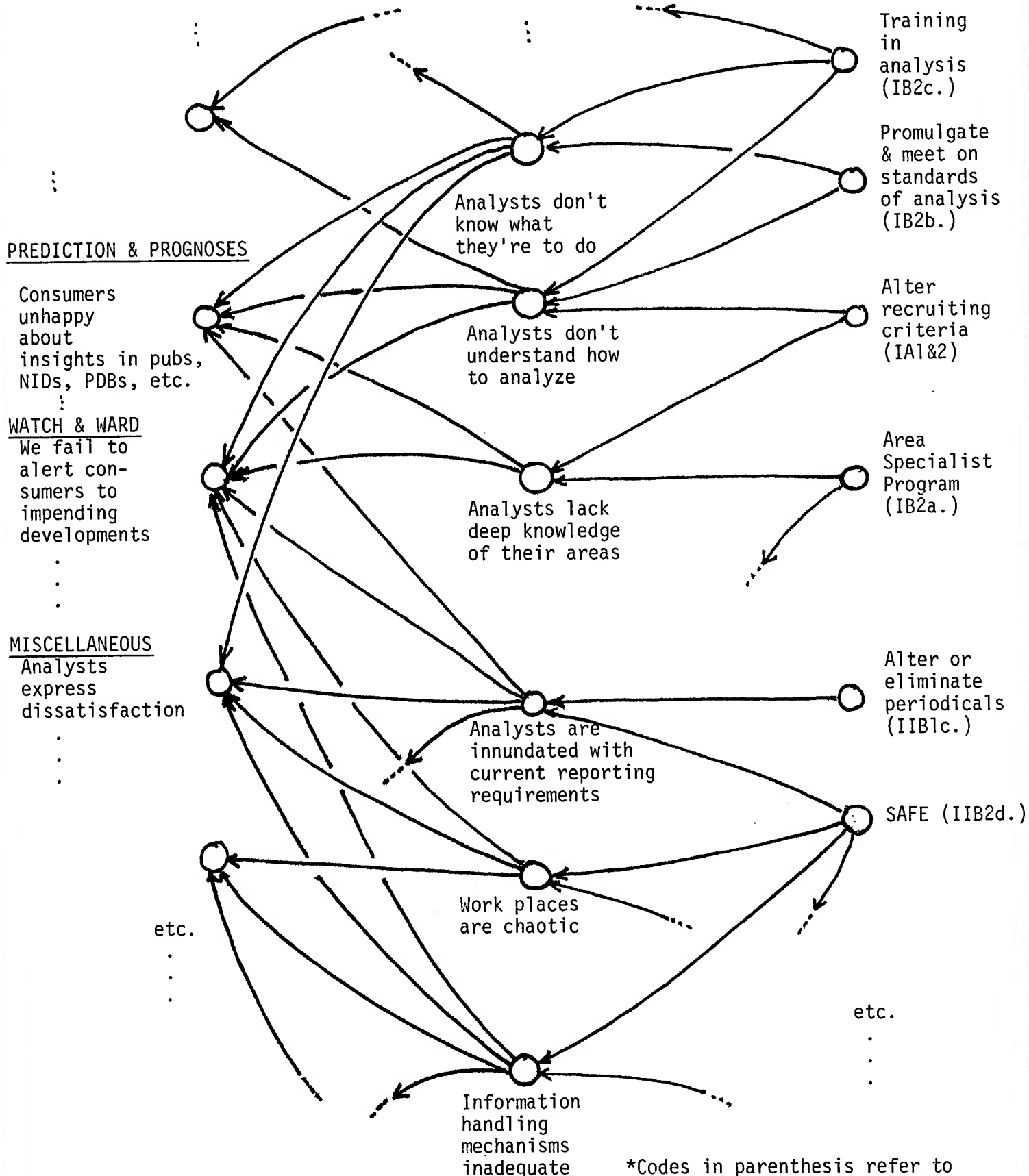FOR CURATIVES, ACTIONS TO IMPROVE THE QUALITY OF INTELLIGENCE ANALYSIS

I. People for Analysis
    A. Selection
        1. Recruiting Junior Analysts
        2. Recruiting Senior Analysts for Lateral Entry
        3. Firing
    B. Training
        1. Initial
        2. Ongoing
    C. Rewards and Incentives
        1. Promotion Policies
        2. Recognition
    D. Numbers of Analysts

II. Support of Analysis
    A. Support at the Collection-Analysis Interface
    B. Support of Analysis
        1. Environment
            a. Physical Surroundings
            b. Information Flow
            c. Intellectual Climate
        2. Analytic Techniques and Tools
    C. Support at Analysis-User Interface
        1. Editorial Functions
        2. Marketing Programs
        3. Presentational Means

III. Mechanisms for Managing Analysis
    A. Monitoring
    B. Measurement
    C. Management
        1. Feedback and control systems
        2. Manager selection and training

At this point we have laid out, admittedly in considerable abstraction, a conceptual framework for thinking about the management of intelligence analysis. Hopefully this will help avoid the common trap of confusing the management function with the substance of particular analyses. In any case one can conceive of a huge sheet of paper; down the left-hand margin are listed all the symptoms of intelligence analysis problems, down the center of the sheet are listed all the causes we have been able to identify with arrows drawn to the particular symptoms that revealed these causes, and down the right-hand margin are listed all the curatives we have undertaken or will undertake with arrows drawn to the causes that each curative will help. The next page is a small hypothetical excerpt from such a table.

SYMPTOMS   CAUSES   CURATIVES*

Training
in
analysis
(IB2c.)

Promulgate
& meet on
standards
of analysis
(IB2b.)

Analysts don't
know what
they're to do

PREDICTION & PROGNOSES

Consumers
unhappy
about
insights in pubs,
NIDs, PDBs, etc.

Alter
recruiting
criteria
(IA1&2)

Analysts don't
understand how
to analyze

WATCH & WARD
We fail to
alert con-
sumers to
impending
developments

Area
Specialist
Program
(IB2a.)

Analysts lack
deep knowledge
of their areas

MISCELLANEOUS
Analysts
express
dissatisfaction

Alter or
eliminate
periodicals
(IIB1c.)

Analysts are
innundated with
current reporting
requirements

SAFE (IIB2d.)

Work places
are chaotic

etc.

etc.

Information
handling
mechanisms
inadequate

*Codes in parenthesis refer to
where these curatives might fit
into the classification scheme
suggested earlier.

etc.

When he has an approximation of this hypothetical huge piece of paper in some form, one can say that conceptually he grasps the management issues involved in improving intelligence analysis. Then he is ready to talk sensibly about how to make intelligence analysis better, that is to address the temporal dimension of the problem. Before doing so it is important to note that we are not talking about a big computer processed system, a slick-covered publication, or even necessarily a real "huge piece of paper"; one is talking about having a reasonably clear grasp of the structure of the problem. This is not an insurmountable task. In fact, in a moderate-sized organization (numbering perhaps hundreds of analysts and a couple dozen senior managers) it can be done in fairly short order, say in a month or two.

MANAGEMENT SYSTEMS

In order to get better and to keep getting better one needs to march along five paths in parallel

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-Push ongoing programs to get better.

-Get moving on a number of obvious programs that will help.

-Sort out remaining questions about what symptoms relate to what causes and what curatives will help.

-Look at what intelligence will be years in the future and map out how to prepare for it.

-Develop better measures of the quality of analysis.

Before discussing each path, it is worth observing that managing this requires a formal mechanism which serves as a monitor, a conscience and a prod. The mechanism needs to have several features.

-A responsible official.

-A description of the structure of relations among symptoms, causes and curatives.

-An explicit description of curatives and a process for evaluating if each is working.

-A regular feedback to management.

-An explicit program plan stretching over a reasonable planning horizon, e.g. five years. [ ] *troops and I had sketched out such a program 'on the Community by early 1978, but it died from "lack of transfer" when DD/NFA picked up this aspect of the ICStaff function. The corpse remains the best prototype available of what is needed.*

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For concreteness let's think of this mechanism as one guy who keeps the huge sheet of paper described earlier. When he hears a new complaint (symptom) he enters it in the left-hand column and gets a manager to tell him appropriate causes and curatives to be listed in the middle and right-hand columns. This fellow also keeps a shelf of notebooks, one for each of the tentative categorizations of curatives introduced earlier. Each curative action is represented in one of these notebooks by a sheet which shows, among other things, causes and symptoms to be ameliorated by this curative, milestones to be achieved in applying the curative and the measures to be used to see if the curative is working. Our man also has a five-year program posted on his wall listing all curatives and showing the milestones associated with each. He spends his days playing with his three toys; checking his wall chart to see what milestones are coming up, leafing through his notebooks, making measurements on each curative as it approaches a milestone, and tracing out arrows on his huge sheet of paper to understand how his symptoms, causes and curatives interact. Once each fortnight he gives senior managers a report which includes:

-A list of newly discovered symptoms (and who is assigned to trace out causes and propose curatives for these).

-Proposals as to where he should search for new symptoms.

-A status report showing those curatives which are working markedly better or worse than expected.

-Proposals to modify curatives based on their impacts.

He leaves these biweekly report meetings with orders to relay to subordinate managers and guidance for his next two weeks' work.

Without making too much of this picture, the point is that some such management mechanism is critical. Otherwise things will fall through cracks; symptoms will be noted and then forgotten, causes will remain unidentified, curatives will be misdirected or will peter out prematurely. Furthermore some such mechanism is needed to show outside critics that the manager is in charge. The point here is that if one shows that one clearly understands one's problems and has a reasonable (not necessarily all that reasonable either) plan to solve them, one will be left pretty much alone. On the other hand a public display of ignorance or indecision is like bleeding in shark-infested waters.

If this management mechanism to improve intelligence is to work over a period of months and years it must cause us to proceed down the five paths in parallel. Tandem treatment would be nicer in some cases, but the sharks are not going to allow us this luxury. That we have not already been bitten badly is miraculous; such luck can't hold. Again the five paths are ongoing programs, new starts, resolving questions, futurology and measurement.

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